



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0004	<b>Title:</b>	Procurement rebate regulation
<b>Primary Sponsor:</b>	Harrington, D.	<b>Status:</b>	Third Reading

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact                | <input checked="" type="checkbox"/> Include in HB 2    | <input type="checkbox"/> Technical Concerns              |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	\$266,648	\$266,982	\$266,982	\$266,982
<b>Revenue:</b>				
General Fund	\$169,876	\$170,048	\$170,048	\$170,048
State Special Revenue	\$266,648	\$266,982	\$266,982	\$266,982
Federal Special Revenue	\$29,978	\$30,009	\$30,009	\$30,009
<b>Net Impact-General Fund Balance</b>	<u>\$169,876</u>	<u>\$170,048</u>	<u>\$170,048</u>	<u>\$170,048</u>

### Description of Fiscal Impact:

#### **Department of Administration**

The bill creates a new special revenue fund from volume spending rebates on certain procurement contracts. Agencies will no longer be charged a fee for use of procurement card programs. The rebate money in this special revenue account will be used to administer the procurement card programs, reimburse the federal government for its portion of the rebate revenue, and the remaining balance will be transferred to the general fund by the end of the fiscal year. Currently, the administration of the procard programs is paid out of a special revenue fund and this bill clarifies and formalizes the account for this purpose.

### FISCAL ANALYSIS

#### Assumptions:

1. Rebates based on volume spending are anticipated when agencies use contracts providing rebates such as the states procurement card and fueling card.
2. The rebate for the fueling card is .006% of the total spent.

3. The rebate for the state procurement card is anticipated to be 1.15% of the total spent.
4. Approximately 15 percent of the rebate revenue after administration expenses will be reimbursed to the federal government.
5. The remaining revenue, after administrative expenses and federal reimbursement will be deposited to the general fund.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>FTE:</u></b>	0.70	0.70	0.70	0.70
<b><u>Expenditures:</u></b>				
Personal Services	\$38,421	\$38,452	\$38,452	\$38,452
Operating Expenses	\$28,373	\$28,473	\$28,473	\$28,473
Transfers	\$199,854	\$200,057	\$200,057	\$200,057
<b>TOTAL Expenditures</b>	<b>\$266,648</b>	<b>\$266,982</b>	<b>\$266,982</b>	<b>\$266,982</b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$266,648	\$266,982	\$266,982	\$266,982
<b><u>Revenues:</u></b>				
General Fund (01)	\$169,876	\$170,048	\$170,048	\$170,048
State Special Revenue (02)	\$266,648	\$266,982	\$266,982	\$266,982
Federal Special Revenue (03)	\$29,978	\$30,009	\$30,009	\$30,009
<b>TOTAL Revenues</b>	<b>\$466,502</b>	<b>\$467,039</b>	<b>\$467,039</b>	<b>\$467,039</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$169,876	\$170,048	\$170,048	\$170,048
State Special Revenue (02)	\$0	\$0	\$0	\$0

\_\_\_\_\_  
Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date